



Dear Chairs Hornstein and Dibble ~

On behalf of the 700+ hundred small cities in Minnesota with populations under 5,000 - and the more than 650,000 Minnesotans who call a small city “home” - we urge you to keep small city street aid/transportation infrastructure needs among your top priorities in Conference Committee this session, in the form of dedicated, ongoing aid that our cities can rely on when creating their annual budgets and planning for repairs or projects.

MN Small Cities' goal this session was to secure \$40 million annually in dedicated, ongoing funding for our transportation infrastructure needs. We are grateful that you have both heard us and we are most appreciative of your efforts this session, to help us achieve this number.

- MN Small Cities supports the House proposal, which provides ongoing funding that meets the needs of our communities, with \$38 million in '25 and grows in the next biennium. Additionally, we appreciate the one-time appropriation in '24 to fill the gap, due to a delayed implementation of revenue.
- While the Senate bill also provides dedicated funds, it relies primarily on the revenue from vehicle registration fees. This is a flat fee that does not have projected growth. We would prefer the dedication of a revenue source with more projected growth - such as the auto parts sales tax - as this would prevent our small cities from falling further and further behind.

MN Small Cities is neutral on any particular source of revenue most importantly we do not want to see the opportunity to finally provide ongoing dedicating funding to cities under 5,000 who have gone far too long with support for their deteriorating roads. Thank you again, for your support of Minnesota's small cities.

Cap ORourke
Executive Director